FISCAL NOTE

HB 3885 - SB 3972

February 19, 2008

SUMMARY OF BILL: Expands the definition of "Tennessee River Resort District" to include any county in which at least 51 percent of the total acreage of the county is owned by the federal government and is dedicated as a national forest and has at least three rivers flowing through the county, for the purpose of receiving a special allocation of state sales tax, and not for the purpose of authorization to sell liquor-by-the-drink.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - $170,000
Increase State Expenditures - $6,000/One-Time

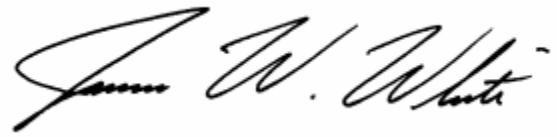**Increase Local Revenue - $170,000/Polk County**

Assumptions:

- Local governments receive 4.5925% of state sales tax revenue under current law. Each county's share of this allocation is based on the county's respective population. Counties which are eligible for Tennessee River Resort District (TRRD) status can, in lieu of the allocation based on population, receive a special allocation equal to 4.5925% of the actual state sales tax revenue collected within the jurisdiction, if it has elected TRRD status.
- According to the Department or Revenue (DOR), one county (Polk County) would be eligible to elect TRRD status under this bill. The department indicates that Polk County is expected to benefit from electing TRRD status.
- Polk County elects to become a TRRD. In doing so, it would receive approximately $170,000 more per year as compared to the allocation it would receive based on population. Therefore, the decrease of state revenue is estimated to be $170,000 per year, while the increase to local government revenue (Polk County) is estimated to be $170,000 per year.
- Pursuant to Section 2 of this bill, Polk County will not seek authorization to sell liquor-by-the-drink.

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- One-time state expenditures estimated to be $6,000 for computer and software modifications.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

James W. White, Executive Director

/rnc